



To: Mayor Coleen Seng
Lincoln City Council
Marc Wullschleger

CC: Ann Harrell
Dallas McGee

From: Michelle Waite, DLA Chair
Polly McMullen, DLA President

Subject: 2005-06 Proposed B.I.D. Budgets and Program of Work

We are pleased to submit for your review and public hearing, scheduled for July 18th at 1:30 p.m., the proposed management and maintenance B.I.D. budgets and Program of Work for 2005-06. These budgets were unanimously approved by our Board of Directors on June 28, 2005. Highlights of these budgets are outlined below.

Maintenance Budget

Our proposed maintenance B.I.D. budget reflects a 2.5% increase in property owner assessments and city matching funds, generating \$6,100 in additional annual income which is needed to partially offset increases in landfill/refuse and insurance costs. While the proposed budget includes a \$28,500 decrease in the City's Tree Replacement Plantings funding, we appreciate that the Mayor has continued to support funding in this category to continue progress which has been made in recent years in improving the downtown streetscape.

We are proud that downtown Lincoln is widely perceived as clean, safe and attractive by downtown workers, residents and visitors as a result of our maintenance program. DLA maintenance workers, with assistance from Community Alternatives of Nebraska, are caring for an increasingly

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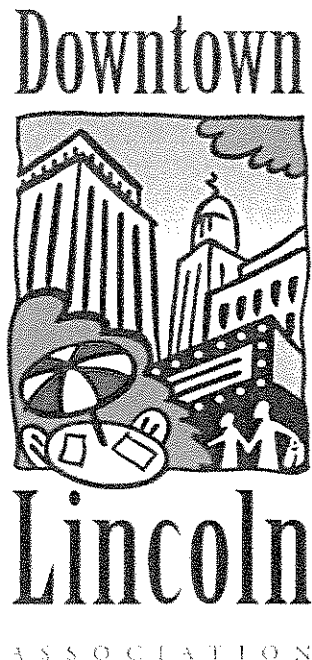
sophisticated, active environment as a result of continuing economic development in the downtown and improvements to the downtown streetscape.

Management Budget

Our proposed management B.I.D. budget contains a 2.5% increase in property owner assessments which will generate an additional \$11,210 in income needed to offset anticipated increases in insurance and other programs. Despite this modest increase, many of the 475 properties in our management B.I.D.s will experience decreases in their annual assessments as a result of continued economic development and private investment in downtown.

With the completion of the first Downtown Master Plan in over 30 years and the strong interest in downtown which the plan is already generating, we are optimistic that the recent trend of lower assessments and an expanding downtown tax base will continue.

A major focus for DLA and the City over the next year will be the renewal of our two downtown management B.I.D.s, which will sunset in August, 2006 and an examination of our maintenance B.I.D. to see if changes in boundaries, services or assessments are warranted. We look forward to working with you closely on this effort and we thank you for all your support of downtown Lincoln this past year.



**2005-06 Proposed
Maintenance and Management
BID Budgets
&**

Program of Work

**Downtown Lincoln Association
June 2005**

**BUDGET ASSUMPTIONS FOR
2005-06 MAINTENANCE BID**

1. A 2.5% increase in property owner and city matching assessment rates, generating \$6,100 in additional income.*
2. 2.5% increase in StarTran and Parking Garage Landscape service contracts, generating \$405 in additional revenue.
3. \$28,500 decrease in City's Tree Replacement Plantings funding.
4. \$18,000 from \$46,500 Replacement Plantings line item remains directed to staff salaries.
5. \$5,000 allocated to Downtown BID Renewal process.
6. Increased expenses include:
 - \$2,250 in Landfill/Refuse budget due to increased service.
 - \$1,252 increase estimated for Insurance.
 - 3.1% in personnel and benefits.
(projected 7.9% combined increase in Health insurance & HSA, changed from 8 FT, 3 PT and 3 seasonal workers to 8 FT, 4 PT and additional crew from Community Alternatives of Nebraska, 2.5% raises).
7. \$11,201 decrease in Holiday Installation, Repairs & Maintenance to balance the budget.

*1997 Maintenance BID ordinance allows up to 5% annual increases in assessment rate.

**Downtown Lincoln Association
Proposed Maintenance BID Budget
Sept. 1, 2005 - August 31, 2006**

6/20/05

Category	2004-05 Budget	2005-06 Proposed
INCOME		
Property Owner Assessment*	189,732	192,782
City of Lincoln Maintenance Contribution	197,532	200,582
City of Lincoln Gen. Fund/Tree Replacement	75,000	46,500
City of Lincoln/Holiday Lighting	0	0
GSA Contract	7,296	7,488
StarTran Bus Stop Service Agreement	2,315	2,373
Parking Garage Landscape Service Agreement	13,892	14,239
LHDC Farmers' Market Service Agreement	5,645	5,254
Interest Income	300	300
TOTAL INCOME	\$ 491,712	\$469,518
EXPENSES		
Personnel Salaries/Benefits	327,055	337,300
Uniforms	500	500
Federal/PO/LHA Share Special Assessments	10,016	10,267
Holiday Installation, Repair & Maintenance	22,000	10,799
Insurance	4,500	5,752
Administrative Costs to DLA	20,000	20,000
Downtown Master Plan/BID Renewal	3,000	5,000
Professional Fees	500	500
Professional Development	600	600
Landfill/Refuse	2,200	4,450
Rent	21,996	23,100
Utilities	7,450	7,750
Repairs/Supplies	14,773	15,000
Replacement Plantings	57,122	28,500
Total Maintenance BID Expense	\$ 491,712	\$469,518

*60,879.503812 front ft. @ 3.11651422/front ft. => \$189,732

*60,349.447812 front ft. @ 3.1944270755/front ft. => \$192,782

NOTE:

Federal/PO/LHA properties equal 3,213.97 front feet x \$3.12 = 10,016.38

Federal/PO/LHA properties equal 3,213.97 front feet x \$3.19 = 10,266.79

**BUDGET ASSUMPTIONS FOR
2005-06 MANAGEMENT BID**

1. 2.5% increase in budgeted income from property owner assessments, generating an additional \$11,210 in income.*
2. \$24,869 in funding for Downtown BID Renewal process.
3. 17% increase over last year's budget for insurance (Property and Casualty, Umbrella, Directors & Officers, and Employment Practices Liability).
4. \$3,000 increase in Legal Fees for BID Renewal process.
5. 1% decrease in Personnel Salaries/Benefits.
 - includes 6% combined projected increase for health insurance and the HSA (Health Savings Account) - this was kept low by switching health insurance carriers
 - 2.5% raises

*1999 Management BID ordinances allow annual increases up to 3% or Consumer Price Index (whichever is less); March 2005 Consumer Price Index was 3.1%.

**DOWNTOWN LINCOLN ASSOCIATION
PROPOSED MANAGEMENT BID BUDGET
Sept. 1, 2005 - August 31, 2006**

5/19/2005

CATEGORY	2004-05 Budget	2005-06 Proposed
INCOME		
Property Owner Assessment-Downtown BID	270,936	277,710
Property Owner Assessment-Core Overlay BID	177,454	181,890
Transfer from Maintenance	20,000	20,000
Parking Marketing Contract	35,000	35,000
Nonprofit Contributions	48,000	48,000
Interest Income	250	250
TOTAL INCOME	\$ 551,640	\$ 562,850
EXPENSES		
CATEGORY	2004-05 Budget	2005-06 Proposed
DOWNTOWN BID ACTIVITIES & IMPROVEMENTS		
<i>PARKING & TRANSPORTATION INITIATIVES</i>		
Personnel		
President (25%)	27,421	28,349
Communications Manager (25%)	15,028	16,657
Research Director (40%)	18,221	12,508
Total Personnel	\$60,670	\$ 57,514
Activities/Products		
Marketing, Promotion, and Special Parking Projects	7,490	9,211
Parking Marketing Campaign	29,750	29,750
Downtown Master Plan/BID Renewal	1,000	2,000
Total Activities/Products	\$38,240	\$ 40,961
TOTAL PARKING & TRANSPORTATION INITIATIVES	\$98,910	\$ 98,475
<i>ECONOMIC DEVELOPMENT</i>		
Personnel		
President (20%)	21,937	22,679
Communications Manager (30%)	18,034	19,988
Research Director (50%)	22,776	15,635
Total Personnel	\$62,747	\$ 58,302
Activities/Products		
Investor/Consumer Marketing	20,878	27,569
Benchmarking Program	1,500	1,000
Downtown Retail Council	2,000	2,500
Downtown Master Plan/BID Renewal	2,500	3,500
Total Activities/Products	\$26,878	34,569
TOTAL ECONOMIC DEVELOPMENT	\$89,625	\$ 92,871

24.3%

22.9%

CATEGORY	2004-05 Budget	2005-06 Proposed
COMMUNICATIONS & ADVOCACY		
Personnel		
President (20%)	21,937	22,679
Communications Manager (35%)	21,039	23,320
Administrative Assistant (50%)	13,170	13,488
Total Personnel	\$56,146	\$ 59,487
Activities/Products		
BID Newsletter	12,000	12,000
Business Directory and Map	10,000	6,200
Annual Meeting/Annual Report	5,000	5,000
"Do It Downtown" Campaign/Website	5,278	5,300
Downtown Master Plan/BID Renewal	1,000	3,000
Total Activities/Products	\$33,278	\$ 31,500
TOTAL COMMUNICATIONS & ADVOCACY	\$89,424	\$ 90,987

22.4%

TOTAL DOWNTOWN BID ACTIVITIES & IMPROVEMENTS	\$277,959	\$282,333
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CORE - ACTIVITIES & IMPROVEMENTS		
CORE AREA IMPROVEMENTS & PROMOTIONS		
Personnel		
President (25%)	27,421	28,349
Communications Manager (10%)	6,011	6,663
Research Director (10%)	4,555	3,127
Administrative Assistant (25%)	6,585	6,744
Total Personnel	\$44,572	\$ 44,883
Activities/Products		
Visitor Attractions/Promotions	10,000	10,000
Replace Holiday Display & Lights	20,000	19,000
Replace Street Furniture	12,000	12,000
Events Management Corp.	15,000	15,000
Downtown Master Plan/BID Renewal	15,000	14,869
Public Spaces Entertainment/Events	7,376	7,400
Total Activities/Products	\$79,376	\$ 78,269
TOTAL CORE AREA IMPROVEMENTS & PROMO.	\$123,948	\$ 123,152

30.4%

TOTAL BUDGET BEFORE MGMT & SUPPORT	\$ 401,907	\$ 405,485
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CATEGORY	2004-05 Budget	2005-06 Proposed
MANAGEMENT & SUPPORT		
Personnel:		
President (10%)	10,968	11,340
Director of Finance (100%) (64% paid by BID)	36,679	37,593
Administrative Asst. (25%) (85% paid by BID)	6,585	6,744
Total Personnel	\$ 54,232	\$ 55,677
Fixed Costs:		
BID Interest/Admin. Costs	10,500	12,000
Rent	18,891	19,191
Corporate Insurance	7,100	8,313
Corporate Taxes/Licenses	1,370	1,650
Total Fixed Costs	\$ 37,861	\$ 41,153
Administration:		
Telephone & Utilities	6,680	7,135
Office Supplies	6,500	5,000
Postage	3,100	4,250
Copies	5,800	5,700
Dues/Subscriptions	2,160	2,100
Professional Development	11,000	10,000
Meeting Expense	2,700	2,700
Repairs & Maintenance	2,000	3,500
Furniture, Fixtures, & Equipment Lease	5,500	5,150
Furniture, Fixtures, & Equipment Purchase	2,700	2,500
Downtown Master Plan/BID Renewal	1,500	1,500
Professional, Accounting, & Legal	8,000	11,000
Total Administration	\$ 57,640	\$ 60,535
TOTAL MANAGEMENT & SUPPORT	\$ 149,733	\$ 157,365
TOTAL BID BUDGET:		
DOWNTOWN, CORE AND MANAGEMENT	\$ 551,640	\$ 562,850

**DOWNTOWN LINCOLN ASSOCIATION PROPOSED ANNUAL PROGRAM OF WORK
SEPTEMBER 2005 – AUGUST 2006**

DOWNTOWN BID PROGRAM PRIORITIES WITH BUDGET REQUIREMENTS

PARKING AND TRANSPORTATION INITIATIVES

1. Continue efforts to implement recommendations from the 2004 Carl Walker Study with a goal of ensuring a cost-effective, customer-oriented and coordinated approach to downtown parking.
2. Increase awareness of downtown parking programs and options for part-time workers.
3. Provide a parking information database through DLA web page.
4. Conduct issue research and education on parking and transportation needs, trends and options.
5. Continue parking signage program to enhance visibility of city parking facilities and private garages and lots which provide public parking.
6. Support BID renewal process.

Total Parking Budget (includes staffing) \$98,475

ECONOMIC DEVELOPMENT

1. Continue investor marketing to developers, real estate brokers, prospective tenants and building owners.
2. Continue general consumer advertising to support and promote downtown.
3. Continue a "benchmarking" system to track progress in downtown development and implementation of Downtown Master Plan.
4. Provide technical assistance, coordinated marketing and other support to small business sector, especially retailers.
5. Continue efforts to facilitate reuse of downtown building stock.
6. Support BID renewal process.

Total Economic Development (includes staffing) \$92,871

COMMUNICATIONS AND ADVOCACY

1. Publish "Downtown Beat" newsletter on bi-monthly basis.
2. Update, maintain and continue to enhance DLA web page.
3. Publish and disseminate Annual Report and Downtown Growth Report in conjunction with annual meeting.
4. Continue implementation of "do it downtown" campaign.
5. Support BID renewal process.

Total Communications/Advocacy (includes staffing) \$90,987

TOTAL DOWNTOWN BID

\$282,333

CORE OVERLAY BID PROGRAM PRIORITIES/BUDGET REQUIREMENTS

1. Support efforts to bring additional visitors, meetings and conferences to downtown hotels and businesses.
2. Replace worn holiday lights and provide funding for installation of holiday displays.
3. Replace outdated benches and trash receptacles in conjunction with redevelopment and streetscape projects.
4. Provide support to downtown Events Management Corporation/Updowntowners.
5. Continue to organize and provide funding for downtown public space entertainment events, including Downtown Performance Series, Holiday Lighting Event and Midweek Farmers' Market.
6. Support BID renewal process.

Total Core Overlay Budget (includes staffing) \$123,152

TOTAL PROGRAMS BEFORE MANAGEMENT AND SUPPORT

\$405,485

2005-2006 PRIORITIES WITHOUT SEPARATE BUDGET REQUIREMENTS

1. Secure City Council adoption of Downtown Master Plan and partner with City, Chamber and other stakeholders to implement priority projects.
2. In conjunction with Downtown Master Plan, encourage city to begin site acquisition, design and construction of next downtown parking garage.
3. Facilitate improved utilization of existing parking supply, especially privately owned lots and structures.
4. In conjunction with Downtown Master Plan, assist in redevelopment of former theater properties.
5. Continue outreach, communication and accountability to downtown business and property owners through periodic meetings, distribution of "benchmarking" data and questionnaires soliciting feedback on services, issues and concerns.
6. Support efforts to address barriers to development in downtown and in older commercial areas of the city, including Antelope Valley.
7. Continue implementation of 1998 Downtown Tree Replacement Master Plan.
8. Continue to support the Antelope Valley project with special focus on east downtown development opportunities.
9. Continue to emphasize positive working relationships with all community organizations, including the Downtown Neighborhood Association, Realtors Association of Lincoln, city, county and state governments, the Lincoln Haymarket Development Corporation, University of Nebraska-Lincoln, Lincoln Independent Business Association, Lincoln Chamber of Commerce, Lincoln Partnership for Economic Development, Neighborhoods, Inc., University of Nebraska Technology Development Center and local media.
10. Continue active involvement in city-wide initiatives which significantly impact downtown Lincoln, especially the Angelou Economic Development Plan, the Infrastructure Financing Proposals, Randall Travel Marketing Study, Convention Sports and Leisure Study and NU Directions Study.